REMARKS

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This is intended as a full and complete response to the Office Action dated January 23, 2003, having a shortened statutory period for response set to expire on April 23, 2003. Claims 1-12 are pending in the application. Applicant has amended claims 1, 5, and 8-10 and the specification to correct matters of form. Applicant has added new claims 13-24. No new matter has been added. Please reconsider the claims pending in the application and allow the new claims for reasons discussed below.

Claims 1-12 stand provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1, 10-13, 15-16, and 18 of U.S. Patent Application No. 09/964034. Applicant has enclosed herewith a Terminal Disclaimer regarding the patent application cited by the Examiner. Accordingly, withdrawal of the rejection and allowance of the claims is respectfully requested.

Claim 1 stands rejected under 35 U.S.C. § 102(e) as being anticipated by *Ramos* et al. (U.S. Patent Number 6,446,723 B1). The Examiner states that *Ramos* et al. discloses a sheath surrounding a cable which may be fabricated from resilient materials capable of deformation. The Examiner states that *Ramos* et al. discloses a crescent-shaped cable housing in Figure 4 which is substantially identical to Applicant's resultant housing geometry.

Applicant respectfully traverses this rejection. Ramos et al. does not teach, show, or suggest an encapsulation disposable between an expandable downhole tool and the wall of a wellbore. The resilient sheath surrounding the cable of Ramos et al. is not taught in the context of expandable tools. Therefore, Ramos et al., does not teach, show or suggest an encapsulation between an expandable downhole tool and the wall of a wellbore with walls which are deformable to the general contour of the wall of the wellbore when the downhole tool is expanded into the wellbore, as recited in claim 1. Accordingly, Applicant respectfully requests removal of the rejection to claim 1.

Claims 1-12 stand rejected under 35 U.S.C. 103(a) as unpatentable over Castano-Mears et al. (U.S. Patent Number 6,457,518 B1) in view of Ramos et al. The

Examiner states that Castano-Mears et al. discloses a downhole expandable well screen that expands to substantially contact the wall of the wellbore. The Examiner further states that the expandable well screen contains expandable ribs or housings used to convey instrumentation lines. The Examiner acknowledges that Castano-Mears et al. does not teach a crescent-shaped housing wherein the housing is placed between the expandable well screen and the wellbore. Next, the Examiner combines Castano-Mears et al. with Ramos et al., replacing the ribs of Castano-Mears et al. with the crescent-shaped housing of Ramos et al. In doing so, the Examiner states that it would have been obvious to ensure a close fit by adding the crescent-shaped housing of Ramos et al. to the exterior of the expandable well screen of Castano-Mears et al., thereby eliminating flow of fluids in the annulus when the well screen is expanded and ensuring integrity of the instrumentation lines.

Applicant respectfully traverses this rejection. Castano-Mears et al. does not teach, show, or suggest an encapsulation disposable between an expandable downhole tool and a wall of a wellbore, as recited in claims 1-8. Moreover, Castano-Mears does not teach, show, or suggest an encapsulation deforming to the general contour of the wall of the wellbore when the downhole tool is expanded against the wall of the wellbore, as recited in claims 9-12.

Furthermore, it would not be obvious to a person skilled in the art to combine Castano-Mears et al. with Ramos et al. to remove the ribs of Castano-Mears et al. and add the sheath of Ramos et al. because Ramos et al. teaches away from using the resilient sheath with expandable tools. The resilient sheath surrounding the cable of Ramos et al. is not taught in the context of expandable tools. Specifically, Ramos et al. states that the distance from an outside wall of the borehole to the cable is maximized to reduce the likelihood of mud not being displaced from the region between the cable and the outer wall of the borehole when cementing occurs. See col. 2, lines 43-48. Because using the sheath in the context of expandable tools would minimize the distance from the cable to the wellbore and because an objective of Ramos et al. is to maximize the distance, Ramos et al. teaches away from combining its resilient sheath with the ribs in the expandable tools of Castano-Mears et al. Therefore, Castano-Mears et al., alone or in combination with Ramos et al., does not teach, show or suggest an

encapsulation disposable between an expandable downhole tool and the wall of a wellbore with walls which are deformable to the general contour of the wall of the wellbore when the downhole tool is expanded into the wellbore, as recited in claims 1-12. Accordingly, Applicant respectfully requests removal of the rejection of claims 1-12.

New claims 13-24 are allowable over *Castano-Mears et al.* and *Ramos et al.* The arguments discussed above regarding *Ramos et al.* apply equally to claims 13-24. Furthermore, as shown in Figure 17, *Castano-Mears et al.* teaches hollow ribs which may have lines therethrough which are disposed between the filter media and a shroud. However, *Castano-Mears et al.* does not teach, show, or suggest hollow ribs disposed on the outer surface of the expandable tool. Because claims 13-24 recite an enclosed line housing formed on the outer wall of the expandable tubular, Applicant respectfully requests allowance of claims 13-24.

In conclusion, the references cited by the Examiner, neither alone nor in combination, teach, show, or suggest the apparatus of the present invention. Having addressed all issues set out in the office action, Applicant respectfully submits that the claims are in condition for allowance and respectfully requests allowance of the claims.

The prior art made of record is noted. However, it is believed that the secondary references are no more pertinent to the Applicant's disclosure than the primary references cited in the office action. Therefore, it is believed that a detailed discussion of the secondary references is not deemed necessary for a full and complete response to this office action. Accordingly, allowance of the claims is respectfully requested.

Respectfully submitted,

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